

Amendment No. 1 to HB0390

Travis
Signature of Sponsor

AMEND Senate Bill No. 256*

House Bill No. 390

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 45-5-301, is amended by deleting subdivision (2) and substituting instead the following:

(2)

(A) Charge interest:

(i) On loans where the total amount of the loan is less than one hundred dollars (\$100), at a nominal rate not in excess of seven and one-half percent (7.5%) per annum, deducted in advance, on the total amount of the loan for the full term thereof without regard to the payment schedule; but no interest shall be charged on the loans in excess of a maximum effective rate of eighteen percent (18%) per annum;

(ii) On loans where the total amount of the loan is one hundred dollars (\$100) or more, up to five thousand dollars (\$5,000), at any rate not in excess of a maximum effective rate of thirty percent (30%) per annum;

(iii) On loans where the total amount of the loan is more than five thousand dollars (\$5,000), at any rate not in excess of the maximum effective rate of twenty-four percent (24%) per annum; and

(iv) On loans made under open-end credit plans, which are plans under which a registrant contemplates repeated loans that may be without fixed maturities or limitation as to the length of term, and that are

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subject to prepayment at any time, at any rate not in excess of a
maximum effective rate of twenty-four percent (24%) per annum;

(B) All the interest shall be contracted for and computed in accordance
with § 45-5-401;

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring
it.